

FRITO-LAY, INC.



ANNUAL REPORT

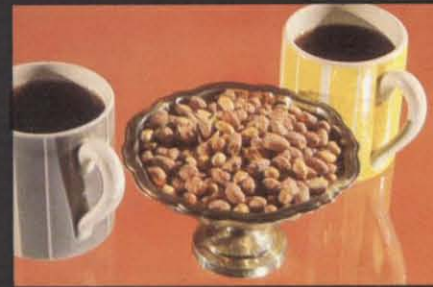
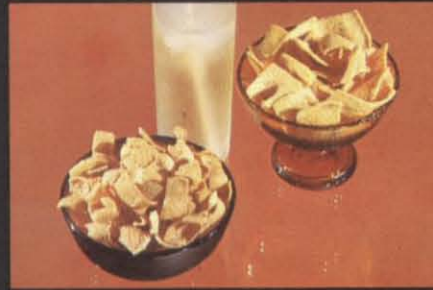
FOR THE YEAR ENDED AUGUST 29, 1964



Here are a few convenience and snack foods —



Frito-Lay's and some others. (Frito-Lay products are set against an orange background.)





Carefully designed flavor ridges of Frito-Lay's RUFFLES potato chips enhance taste by adding surface area and provide strength to withstand the rigors of the most avid dipping. The front and back covers portray them with a bowl of FRITOS brand green onion dip before and after snack time.



SOCIAL CHANGE

And the Growth of the Convenience Foods Industry

The quickening tempo of life and the speed of communications continue to place a high value on and an increasing demand for conveniences of all forms and fashion. This demand for convenience is evident in Frito-Lay's business. A newly-emerging factor in the national economy, the snack foods segment, which is but a small part of the vast convenience foods industry, has come into prominence in the last few years. The scope of convenience foods almost defies definition. It obviously includes corn chips, potato chips, nuts, pretzels, crackers, popcorn, and a large number of other items found on the hostess tray, such as relishes, pickles, olives, biscuits, confectionary items, cheeses, specialty meats, frozen foods, "instant" beverages, and many other items. It is a recognized fact in the industry that all of these items directly compete with each other in the market places for the attention of those demanding foods that can be served quickly and conveniently.

Consumption of convenience foods in the last six years has grown much faster than that of foods generally. Market researchers have attributed this rise to five major social developments:

- (a) Television
- (b) Increased leisure time
- (c) Self-service supermarkets
- (d) Women at work
- (e) More home entertaining

The tradition of "three square meals a day" seems to have all but vanished in many parts of the country. Snacks are enjoyed right out of the bag or with hors d'oeuvres and exotic dips; they are taken to the ball game and to all fun or relaxing outings. When television moved into the home, so did the idea of a snack party at night — perhaps born with popcorn at the movies, that something to munch on and TV-watching are inseparable. Today, snack foods are "at home" almost anywhere and at any time of day.

All evidence indicates that this new eating pattern is no passing fad; it is the way of life today. As these social changes continue to influence the eating habits of millions of consumers, Frito-Lay continues to be dedicated to the challenge of making and distributing an ever-widening array of high quality convenience foods.

SUMMARY OF PROGRESS

	1964 (52 Weeks)	1963 (53 Weeks)	1962 (52 Weeks)	1961 (52 Weeks)	1960 (52 Weeks)
Net sales	\$184,038,495	\$171,306,805	\$152,258,543	\$132,444,446	\$128,513,052
Income before taxes	16,080,672	14,361,207	11,775,503	10,281,061	8,590,972
Taxes on income	8,269,801	7,396,557	6,145,868	5,438,423	4,400,813
Net income	7,810,871	6,964,650	5,629,635	4,842,638	4,190,159
Shares of common stock out- standing at end of year . . .	4,407,619	4,324,009	4,267,923	4,249,714	4,169,525
Earnings per common share:					
Before tax	3.65	3.32	2.76	2.42	2.06
Provision for income tax . .	1.88	1.71	1.44	1.28	1.06
Net after tax	1.77	1.61	1.32	1.14	1.00
Cash dividends	3,063,583	2,584,808	2,132,118	1,483,645	1,278,464
Shareholders' equity	42,168,764	36,123,643	31,226,409	27,606,603	22,829,222
Book value per share	9.57	8.35	7.32	6.49	5.48
Net working capital	18,609,455	15,508,402	13,124,350	11,928,961	6,290,710
Current ratio	2.82	2.33	2.26	2.07	1.53
Property, plant and equipment:					
Cost	51,611,313	44,589,164	40,160,329	36,342,131	30,895,033
Accumulated depreciation . .	20,642,229	17,428,135	15,426,834	13,201,605	11,425,809
Net book value	30,969,084	27,161,029	24,733,495	23,140,526	19,469,224
Depreciation	4,329,232	3,478,849	3,125,764	2,957,604	2,542,322
Total assets	61,752,579	56,920,456	50,800,753	48,314,247	39,269,861

The above summary includes for all years the accounts of companies which have joined Frito-Lay, Inc. by means of "pooling of interests." The accounts of companies acquired otherwise are included from dates of acquisition. The number of shares outstanding and the per share amounts are adjusted to reflect the three-for-two stock split effective April 17, 1961.

TO THE SHAREHOLDERS:

Sales volume and earnings both reached new highs in fiscal 1964. This progress resulted from a broadened product line and intensified distribution of existing products. The high morale and cooperative spirit of the company's more than 8,500 employees contributed immeasurably to this success. Other factors stimulating this growth have been described in the preceding pages.

FINANCIAL RESULTS

Net earnings for the fifty-two (52) weeks ending August 29, 1964 were \$7,810,871, compared to \$6,964,650 for the fifty-three (53) weeks* ending August 31, 1963. Earnings per share increased 10% to \$1.77 from \$1.61, based on the number of shares outstanding at the end of the respective years. This year's sales of \$184,038,495 increased 7% over sales of \$171,306,805 for the prior year. The following table shows the source and use of working capital funds that have generated an adequate cash flow to pay for improved and expanded facilities and equipment.

CONSOLIDATED STATEMENT OF SOURCE AND USE OF WORKING CAPITAL FUNDS (In Thousands of Dollars)

	52 weeks ended August 29, 1964	53 weeks ended August 31, 1963
Funds were generated during the year from:		
Operations —		
Net income	\$ 7,811	\$ 6,964
Depreciation of fixed assets	4,329	3,479
Federal income tax not payable until future years	466	679
	<u>12,606</u>	<u>11,122</u>
Purchases of common stock by key employees under stock option plan	1,298	553
	<u>13,904</u>	<u>11,675</u>
Funds were used to:		
Acquire and improve operating facilities and equipment	8,137	5,906
Net change in other assets	(654)	207
Reduce long-term indebtedness	256	593
Pay cash dividends	3,064	2,585
	<u>10,803</u>	<u>9,291</u>
Increase in working capital	<u>\$ 3,101</u>	<u>\$ 2,384</u>

*The company follows the widely recognized practice in the food industry of accounting for its operations on 13 four-week periods; hence, once in each five or six years the fiscal year is 53 weeks instead of the normal 52.

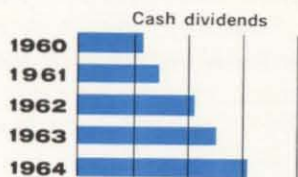
The financial statements of both years have been adjusted to include the accounts of Belle Products Company and Nu-Way Foods, Inc. Each of these companies was acquired on a pooling-of-interests basis during fiscal 1964. Other adjustments made in the financial statements for both years reflect changes in accounting for Federal investment credit and the company's investments in foreign subsidiaries. Common stock of the company was listed for trading on the New York Stock Exchange on March 16, 1964. Previously it was actively traded in the over-the-counter market. On September 9, 1964, the quarterly dividend was changed from 17½¢ to 21¢ per share. This represents a 20% increase. Dividends amounted to 70¢ per share or \$3,063,583 during fiscal 1964. The charts on page 6 graphically portray the company's record growth over the past five years and the distribution of the 1964 sales dollar.

MARKETING AND SALES

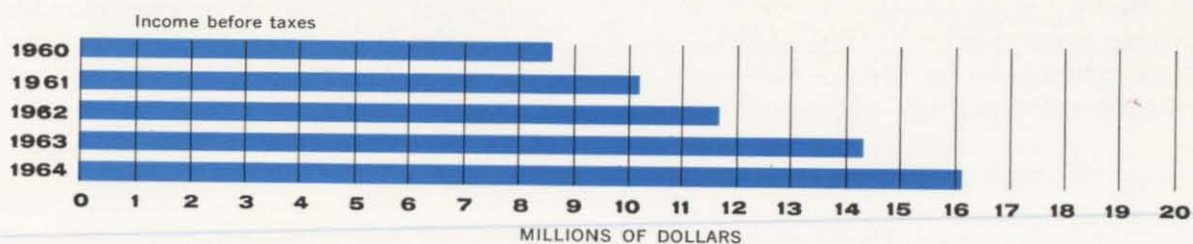
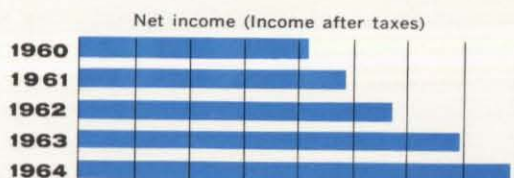
Sales of FRITOS corn chips, CHEE•TOS cheese flavored puffs, and FRITOS brand dip mixes, were stimulated by television exposure on daytime programs of three networks and by the weekly NBC evening program, "Mr. Novak." Sales of the company's regional products continued to be promoted by local television, radio, newspaper, and outdoor advertising.

The distribution of LAY'S potato chips was extended throughout the northeast, the Pacific northwest, and Arizona, accompanied by a highly successful advertising campaign starring the noted comedian, Bert Lahr. Its message is below . . .

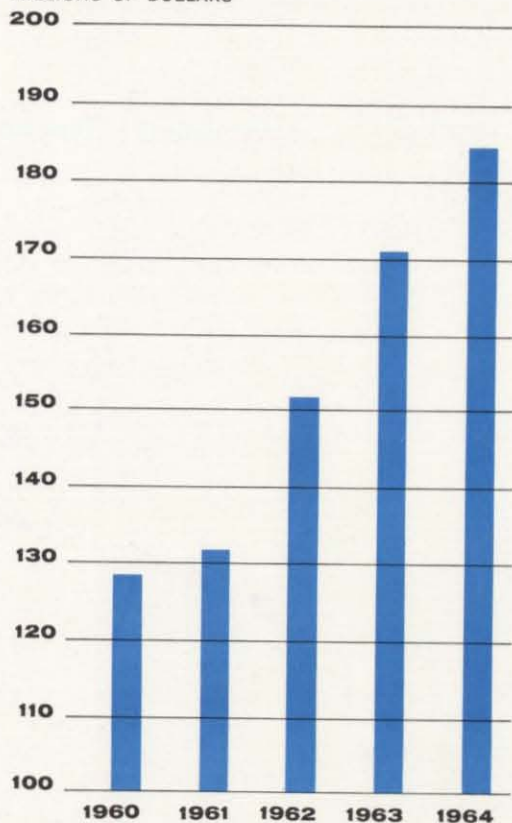




INCOME AND CASH DIVIDENDS

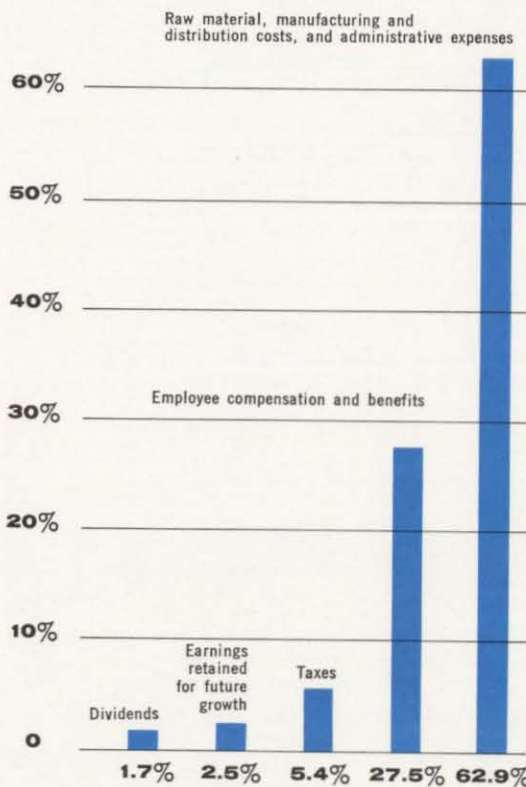


MILLIONS OF DOLLARS



SALES GROWTH

70%



DISTRIBUTION OF THE 1964 SALES DOLLAR

Sales of ridged RUFFLES potato chips increased through expanded distribution. Nation-wide distribution of this product is planned by the end of the first quarter of fiscal 1965 with the support of a coast-to-coast advertising campaign. Additional promotions and an increased assortment of package sizes broadened the distribution and measurably increased sales of ROLD GOLD pretzels. Product lines were extended further through the acquisitions of Nu-Way Foods, Inc. and Belle Products Company and its affiliate, Sevilla Olive Packing Co., Inc. Institutional products from Nu-Way include whip topping, cream sauce base, food flavorings, dessert gelatins, and individual portions of jams, jellies, and other toppings. Belle Products Company and Sevilla Olive Packing Co., Inc.,

added TOWIE and SILVIA brand olives, peppers, cocktail onions, and maraschino cherries. A line of bottled olive oil was added early in fiscal 1965.

FACILITIES

The company invested \$8,137,000 to modernize and increase the capacity of manufacturing and distribution facilities. This compares to \$5,906,000 spent in fiscal 1963. Additional manufacturing space was provided at plants in Chamblee, Georgia; Montreal, Canada; Chicago, Illinois; and Memphis, Tennessee; and production lines were added in Washington, D.C.; Seattle, Washington; Columbus, Ohio; Houston, San Antonio, and Lubbock, Texas; Denver, Colorado; and Montreal, Canada.

Below: Hard work commands good food. Stew, chili, fried beans, tamales, and enchiladas are among the many convenience foods provided by Frito-Lay.



Construction began on a new 110,000-square-foot plant in San Jose, California, and a 65,000-square-foot plant in Orlando, Florida. Both plants will manufacture snack foods by mid-1965. Land was purchased on the outskirts of Dallas for two new facilities, a snack food plant to replace the present Dallas plant, and another building that will house the company's research activities, engineering department, and machine shops. This new location will also be the headquarters for the Mid-Western Zone and its quality control department. Completion is scheduled for mid-1966.

The company's headquarters will move within a year to a new building now under construction adjacent to present offices in the Exchange Park area of Dallas. The 17-story structure will be named the Frito-Lay Building and leasing arrangements will permit consolidation of presently scattered offices as well as necessary future expansion.

RESEARCH

Encouraging results were obtained during the year from the company's concentrated research program devoted to improving the quality of raw materials, creating new products, and improving existing products and processes.

New varieties of seed potatoes were test-grown in a number of supply areas; the results of efforts at the Wisconsin research farms, where the genetics program of cross breeding and selecting various species created the new potatoes especially suited for quality potato chip production.

Three new products were developed. LAY'S dry roasted peanuts in a 10¢ flexible bag have already received promising consumer acceptance. The distribution of this product is being extended nationally. AUSTEX brand western style beans with beef and FRITOS brand jalapeno cheese dip have been placed in limited test markets. Several other new products are planned for entrance into consumer test markets early in fiscal 1965. Results of continuing experiments on a non-tobacco cigarette in the company's joint venture with Sutton Research Corporation are still inconclusive. It is yet too early to forecast the future of this research project.

Right: Concerned for her guests' tastes, this hostess prepares a variety of snacks to suit any appetite. Her selection includes LAY'S potato chips, TOWIE and SILVIA green and ripe olives, LAY's dry-roasted peanuts, and a center bowl of FRITOS brand caesar dip, wreathed in RUFFLES potato chips.









Above: Snacks are enjoyed in any room of the house as in this home where dad munches CHEE•TOS cheese flavored puffs in front of the TV set while junior combines his reading, radio listening, and eating FRITOS corn chips in the bedroom.

Left: ROLD GOLD pretzels go anywhere. They are sold throughout the United States and in overseas markets.

OVERSEAS OPERATIONS

The snack food business overseas has continued to grow rapidly, although it remains relatively small by United States standards. Similarly, sales of the company's overseas operations, while small, continue to increase. The facilities and equipment of the subsidiary in England, Crimpy Crisps Limited, are being modernized to improve efficiency and increase production for that country's highly competitive and growing market. Frito-Lay's partnership arrangement in Heinz Flessner K.G. in West Germany was realigned to include H. Bahlsens Keksfabrik K.G., that country's leading biscuit manufacturer. Bahlsens' effective direct distribution system is expected to further accelerate chip sales.

The company is now conducting extensive market studies in other overseas areas that appear to offer growth potential. Should these studies so indicate, an orderly expansion into selected new markets probably will follow. As in the past, such moves will be planned to coordinate with the capital requirements of domestic expansion.

FEDERAL TRADE COMMISSION

Early this year management reported to shareholders that the Federal Trade Commission issued a complaint against Frito-Lay on November 19, 1963, alleging violations of Section 7 of the amended Clayton Act. The complaint, which the company promptly denied, alleged that the effect of the acquisitions between 1958 and 1961 may have been to lessen competition substantially or tended to create a monopoly in the manufacture and sale of potato chips, corn chips, and pretzels. The complaint seeks to have Frito-Lay divest itself of these acquisitions and to prohibit the company from acquiring any other companies engaged in the manufacture or sale of potato chips, corn chips, or pretzels in the United States for a period of ten years.

It is the opinion of management, as well as both general and special counsel, that none of the acquisitions complained of has had any tendency toward monopoly or to curtail competition. To the contrary, the snack food industry, of which potato chips, corn chips, and pretzels are but a small part, is a volatile, expanding industry which affords extraordinary ease of entry. Competition in this industry, therefore, continues to grow. This is particularly evidenced by the recent entry of several major food companies into the manufacture and distribution of snack food products.

After the complaint was issued, a number of pre-hearing conferences were held, but as of the date of this report, no time had been set for hearings to begin.

INDUSTRIAL RELATIONS

Management continued to give particular attention to those activities that contribute to the development of a competent, well-motivated organization. Special emphasis was devoted at all levels of supervision to advanced methods of personnel administration, including employee selection, supervision and management development, on-the-job training, opportunities for advancement, wage and salary evaluations, and employee benefits.

A three-week course for all plant managers presented advanced management techniques and provided scientific background for production processes. Shorter and more specialized courses were held for other selected management groups.

The employee benefit programs were reviewed to assure that employees are provided effective coverage, and improved procedures were developed for communicating these benefits to all company employees and their families. A program is now being developed for counseling with employees nearing retirement status.

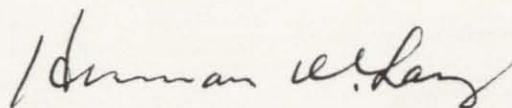
OFFICER CHANGES AND ADDITIONS

The Board of Directors on September 9, 1964, elected Mr. Herman W. Lay as Chairman of the Board. Mr. Lay retained his responsibilities as chief executive officer of the company. Mr. John D. Williamson, former Chairman of the Board, was elected Chairman of the Board's newly created Finance Committee. The committee, under Mr. Williamson's leadership, will devote its attention primarily to the company's financial planning for corporate expansion.

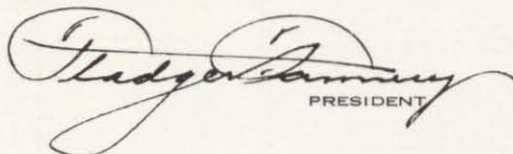
Near the middle of the year, Mr. J. B. Prince, Director of Production in the company's Manufacturing Department, was appointed Zone Vice President for the Mid-Western Zone. Also since the start of fiscal 1965, Mr. William T. Crow, Jr., formerly Vice President and General Manager of the Northwestern Division, was appointed Zone Vice President for the Western Zone. Mr. James L. Major, Sales Manager for the Eastern Division, was elected Vice President and General Manager for the Northwestern Division. Other officers joining the company this year by means of acquisitions are listed on the inside back cover of this report.

OUTLOOK

As stated in the May 9, 1964 quarterly report, the price of unprocessed potatoes has been considerably higher than in recent years and the processing yield has been lower than usual. These two factors resulted in significantly higher costs for finished chips and are expected to continue through the winter months of the current fiscal year. However, with the price of other raw materials remaining about the same as usual and through continuing efforts toward greater efficiencies in production and distribution methods, the over-all operating results of the company should continue to show an improved trend. The future of Frito-Lay remains bright, especially when considered in relation to the growth of the national economy, the population explosion (particularly the fast-growing teen-age segment), and the increasing demand for convenience foods. The company's financial condition is sound. Its organizational structure is continuously being strengthened and kept flexible to absorb the increased responsibilities brought about by internal growth and expansion through acquisitions or mergers. The management of the company has a confident and optimistic feeling concerning the continued growth of sales and earnings.



CHAIRMAN OF THE BOARD



PRESIDENT



October 29, 1964



Above: Convenience foods manufactured by Frito-Lay's Austex Division are marketed throughout the southern half of the country. They include FRITOS brand bean dip, now moving toward national distribution.

Below: "Community" jars on restaurant tables are being replaced by Nu-Way's individually packaged catsup, mustard, honey, syrups, jams and jellies that maintain good tastes and meet the sanitary requirements of customers.



FRITO-LAY, INC.

CONSOLIDATED BALANCE SHEET

	August 29, 1964	August 31, 1963
ASSETS		
Current assets:		
Cash and U. S. government securities	\$ 8,863,914	\$ 9,332,834
Accounts receivable, less allowances	9,678,601	8,027,447
Inventories, at lower of cost (first-in, first-out or average basis) or market:		
Finished goods	5,057,558	4,536,890
Raw materials, supplies and other	4,458,741	4,476,821
	<u>9,516,299</u>	<u>9,013,711</u>
Prepaid expenses	789,961	796,421
Total current assets	<u>28,848,775</u>	<u>27,170,413</u>
Property, plant and equipment, at cost (note 2)	51,611,313	44,589,164
Less accumulated depreciation	<u>20,642,229</u>	<u>17,428,135</u>
	30,969,084	27,161,029
Trademarks, patents and formulas	1	1
Deferred charges, intangibles and other assets	1,934,719	2,589,013
	<u>\$61,752,579</u>	<u>\$56,920,456</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,632,054	\$ 7,029,953
Federal income tax	4,386,766	4,553,271
Long-term debt due within one year	220,500	78,787
Total current liabilities	<u>10,239,320</u>	<u>11,662,011</u>
Long-term debt due after one year (note 3)	6,689,500	6,945,746
Deferred federal income tax	2,654,995	2,189,056
Shareholders' equity:		
Common stock, \$2.50 par value; authorized 5,000,000 shares, outstanding: 1964 — 4,407,619 shares; 1963 — 4,324,009 shares (notes 1 and 4)	11,019,047	10,810,022
Capital in excess of par value (note 4)	2,032,352	943,544
Retained earnings (note 3)	29,117,365	24,370,077
	<u>42,168,764</u>	<u>36,123,643</u>
	<u>\$61,752,579</u>	<u>\$56,920,456</u>

See accompanying notes.

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

	52 Weeks Ended August 29, 1964	53 Weeks Ended August 31, 1963
Net sales	\$184,038,495	\$171,306,805
Cost of goods sold	108,091,034	101,111,840
Selling and administrative expense	59,461,674	55,408,467
Interest expense	405,115	425,291
	<u>167,957,823</u>	<u>156,945,598</u>
Income before federal income tax	16,080,672	14,361,207
Provision for federal income tax (includes deferred tax of \$465,939 in 1964 and \$678,955 in 1963) (note 5)	8,269,801	7,396,557
Net income	7,810,871	6,964,650
Retained earnings at beginning of year	24,370,077	19,990,235
	<u>32,180,948</u>	<u>26,954,885</u>
Cash dividends — \$0.70 per share in fiscal 1964 and \$0.60 per share in fiscal 1963	3,063,583	2,584,808
Retained earnings at end of year (note 3)	<u>\$ 29,117,365</u>	<u>\$ 24,370,077</u>

See accompanying notes.

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

*The Board of Directors
Frito-Lay, Inc.*

We have examined the accompanying consolidated balance sheet of Frito-Lay, Inc. and subsidiaries at August 29, 1964 and the related consolidated statement of income and retained earnings for the fifty-two weeks then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements mentioned above present fairly the consolidated financial position of Frito-Lay, Inc. and subsidiaries at August 29, 1964 and the consolidated results of their operations for the fifty-two weeks then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ARTHUR YOUNG & COMPANY

*Dallas, Texas
October 8, 1964*

NOTES TO FINANCIAL STATEMENTS

AUGUST 29, 1964

1. Principles of consolidation and business combination

The financial statements include the accounts of the domestic and Canadian subsidiaries.

The investments in unconsolidated overseas subsidiaries at August 29, 1964 are carried at equity in net assets (such investments were carried at cost in prior years). The financial statements for 1963 have been retroactively adjusted to restate the carrying value of such assets on the above basis. As a result, net income for 1964 was decreased by \$105,858 and 1963 by \$269,562.

During fiscal 1964 the Company acquired the net assets of Belle Products Company through the issuance of 54,400 shares of common stock and acquired all the outstanding capital stock of Nu-Way Foods, Inc. through the issuance of 15,750 shares of common stock. These transactions were accounted for as poolings of interests, and consequently the accounts of these companies (and the shares issued therefor) have been retroactively included in the accompanying financial statements for the years 1964 and 1963.

2. Property, plant and equipment

Property, plant and equipment consisted of the following at August 29, 1964:

	Cost	Accumulated depreciation
Land	\$ 2,978,617	\$ —
Buildings	12,382,389	3,104,924
Machinery and sundry equipment	25,769,553	12,928,065
Transportation equipment	10,480,754	4,609,240
	<u>\$51,611,313</u>	<u>\$20,642,229</u>

3. Long-term debt and dividend restrictions

Long-term debt consisted of the following at balance sheet dates:

	1964	1963
5½% unsecured promissory note due March 1 of each year; \$150,000 in 1965 and 1966 and \$380,000 in 1967 through 1981	\$ 6,000,000	\$ 6,000,000
5½% mortgage note, secured by real property, due \$37,500 annually on October 15, through 1981	675,000	712,500
5½% first mortgage note, secured by real property, due \$33,000 annually on November 15 through 1969, with balance due November 15, 1970	235,000	268,000
Other	—	44,033
	<u>6,910,000</u>	<u>7,024,533</u>
Less long-term debt due within one year	220,500	78,787
	<u>\$ 6,689,500</u>	<u>\$ 6,945,746</u>

The provisions of the loan agreement relating to the \$6,000,000 unsecured promissory note place certain restrictions on the payment of cash dividends. At August 29, 1964, \$13,232,788 of retained earnings was free of the restrictive provisions.

4. Stock options and changes in capital in excess of par value

At August 29, 1964, officers and key employees held options to purchase 171,652 shares of common stock including 147,842 shares which were then exercisable; the balance becomes exercisable on varying dates through 1967. The plans under which these options were granted have expired. No shares were reserved at August 29, 1964 for future grants.

Changes during the year ended August 29, 1964 are summarized as follows:

	Option price per share	Number of shares	
Outstanding at beginning of year	\$ 4.62 to \$38.00	260,217	
Options exercised	4.62 to 32.82	(83,610)	
Options canceled		(4,955)	(88,565)
Outstanding at end of year	10.42 to 17.72	30,922	
	32.82 to 38.00	140,730	171,652

The excess of net proceeds over par value (\$1,088,808) of options exercised was added to capital in excess of par value.

5. Federal income tax

The investment tax credit for 1964, amounting to \$271,059 has been applied as a reduction of the provision for federal income tax. The financial statements for 1963 have been restated to accord a similar treatment to the credit for 1963, which was originally applied as a reduction of the related property. Accordingly, net income for 1963 shown herein was increased by \$347,938.

Directors

*Herman W. Lay, *Chairman of the Board*
*Chas. E. Beard, *President, Braniff Airways, Inc.*
Fred W. Catterall, Jr., *Investments*
R. V. Dancey, *Investments*
R. A. Goodson, *Vice President — Operations, Southwestern Bell Telephone Co.*
Jack Johannes, *Attorney at Law*
*M. E. Kilpatrick, *Attorney, Kilpatrick, Cody, Rogers, McClatchey & Regenstein*
*William B. Oliver, *Executive Vice President*
C. B. Peterson, Jr., *Executive Vice President, Republic National Bank*
*Fladger F. Tannery, *President*
Lawrence Willet, *Insurance*
George Williamson, *Administrative Vice President*
*John D. Williamson, *Chairman of the Finance Committee*
*Members of the Executive Committee

Officers

Herman W. Lay, *Chairman of the Board*
Fladger F. Tannery, *President*
William B. Oliver, *Executive Vice President*
Arch C. West, *Vice President — Marketing*
W. E. Freeman, *Vice President — Manufacturing*
George Williamson, *Administrative Vice President*
Lymon M. Hall, *Vice President for Sales*
John R. McCarty, *Vice President for Advertising*
James W. Sandifer, *Vice President for International Operations*
W. T. Crow, Jr., *Vice President for Operations, Western Zone*
Harold R. Lilley, *Vice President for Operations, Southeastern Zone*
Joseph Matthews, Jr., *Vice President for Operations, Northeastern Zone*
J. B. Prince, *Vice President for Operations, Mid-Western Zone*
W. Lamar Lovvorn, *Secretary and Treasurer*
B. D. Prowell, *Controller*

Divisional Vice Presidents

William E. Ammerman, *Mid-Atlantic Division*
George M. Boedeker, *Austex Foods Division*
W. Dan Bryant, *Southern Division*
W. R. Dodd, *Southeastern Division*
C. George Edmonds, *Central Division*
George J. Ghesquiere, *Western Division*
James L. Major, *Northwestern Division*
Russell C. Miller, *Mid-Central Division*
Charles H. Murphy, *Mid-Western Division*
Harry M. Tunstall, *Southwestern Division*
R. L. Willis, Jr., *Eastern Division*
Joseph C. Wilson, *North Central Division*

Subsidiaries and Affiliates

The Frito Company of Canada, Limited, Ontario, Canada
Joseph D. Burke, *Vice President*
Rold Gold Foods, Inc., St. Louis, Missouri
Kenneth F. Froelich, *President*
Flessner K. G., Frankfurt, West Germany
Heinz Flessner, *General Manager*
Crimpy Crisps Limited, London, England
David A. Sword, *Managing Director*
Belle Products Company, Houston, Texas
B. L. Golub, *President*
Sevilla Olive Packing Co., Inc., Tampa, Florida
Hugo Reina, *President*
Nu-Way Foods, Inc., Atlanta, Georgia
Arthur W. Weinberg, *President*

Licensees

So Good Potato Chip Company, St. Louis, Missouri
Frito Company of Hawaii, Ltd., Honolulu, Hawaii
Quix Products (Pty.), Ltd., Johannesburg, South Africa

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Trust Company of Georgia, Atlanta, Georgia

REGISTRARS: Chemical Bank New York Trust Company, New York, New York
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